



TENNESSEE VALLEY AUTHORITY REPORT TO COMMUNITIES 2006
Meeting the Challenge to Serve Our Communities





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TVA supports a wide array of schools and community organizations throughout the Tennessee Valley, including these:

- American Red Cross
- Big Brothers Big Sisters
- Boys & Girls Clubs
- Boy Scouts of America
- Calhoun Community College
- Chattanooga State Technical Community College
- Cherokee County Economic Development Commission
- Combined Federal Campaign
- Dogwood Arts Festival
- East Mississippi Community College
- The Great Smoky Mountains National Park
- Girl Scouts
- Habitat for Humanity
- Hopkinsville Community College
- Junior Achievement
- Kentucky Institute for Economic Development
- Lee County (Virginia) Industrial Development Authority
- Memphis in May
- Muscle Shoals Music Festival
- NAACP
- Nashville State Community College
- Native American Indian Association
- Northwest Shoals Community College
- Northwest Georgia Joint Development Authority
- Paducah Junior College
- Partners in Education Schools
- Pellissippi State Community College
- Riverbend
- Southwest Tennessee Community College
- Tennessee Recycling Coalition
- Tennessee-Tombigbee Waterway Development Authority
- Tennessee Urban Forestry Council
- Trout Unlimited
- United Way
- Urban League
- 21st Century Council Impact Learning Center

EMPLOYEES FROM TVA'S SHAWNEE FOSSIL PLANT CONTRIBUTED MORE THAN 750 HOURS OF COMMUNITY SERVICE IN 2006. SHOWN ARE MEMBERS OF SHAWNEE'S COMMUNITY RELATIONS COMMITTEE. FRONT COVER (L TO R): DEBBY ABELL, ALINE GRIFFIN, KIRK ANDERSON, SUE GRAY, AND MARY LYNN SPEAR. BACK COVER (L TO R): SHERYL WILDHARBER, KATIE THOMPSON, RANDY DEHART, JENNIFER MCCALLON, AND MIKE RHEA.

Message from the CEO

The Tennessee Valley Authority has worked with communities across the region for the past 73 years to meet the ever-changing challenges of improving the Valley's quality of life. The people who work at TVA are part of these communities, and their spirit of public service is matched only by their professionalism in providing reliable, affordable electricity, fostering economic progress, and managing regional resources for the benefit of present and future generations.

The *2006 Report to Communities* offers a look at the many ways TVA and its people work and contribute to support schools, cultural events, and a broad array of projects that lend a helping hand to make a difference. In addition to our corporate support for various events and projects, our employees volunteered more than 26,000 hours of their personal time in 2006 – a 30 percent increase over the previous year. And, nearly 900 TVA retirees continued their spirit of volunteerism by contributing more than 23,000 hours.

The personal volunteer work by our employees and retirees has become a mainstay of communities throughout the region, where they help nonprofit organizations carry out their missions of service to young people and the elderly, and assist with fundraising for many worthwhile causes.

This past year, TVA initiated a special program to encourage and support these after-work contributions by providing grants to qualifying organizations where our employees volunteer their time. In the coming year, we are launching a major partnership with Habitat for Humanity to build several homes for deserving families who need a helping hand.

The leadership of TVA is committed to using resources wisely and providing maximum support to help cities, towns, and communities improve the quality of life for all citizens. We are aided in that goal through strong partnerships with businesses and communities that share our commitment.

We are proud of the role that TVA, our employees, and our retirees play in making the Valley a better place to live, work, and raise a family. And we are grateful to all those who join with us in providing the support and inspiration that help make the Valley one of the best places to live in America.

We invite you to visit our Web site at www.tva.com to learn more about how we are helping communities meet the challenge of building a better future.



Tom Kilgore
President and Chief Executive Officer



WITH ITS DISTRIBUTOR PARTNERS BLUE RIDGE MOUNTAIN EMC AND TRI-STATE EMC, TVA ECONOMIC DEVELOPMENT ASSISTED KRISTEN GUNIA, EXECUTIVE DIRECTOR OF ECONOMIC DEVELOPMENT FOR FANNIN COUNTY DEVELOPMENT AUTHORITY (GEORGIA), WITH ITS RETAIL AND COMMERCIAL EFFORTS THROUGH THE CONSUMER CONNECTION PROGRAM.

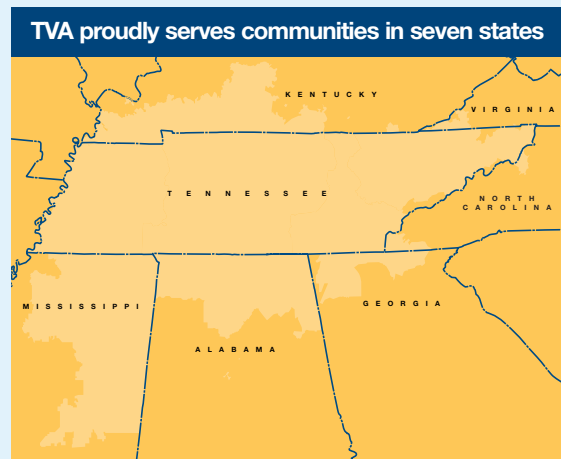
Meeting the Challenge in Community and Economic Development

As the nation's largest public power provider, TVA touches the lives of 8.7 million people, the businesses and industries they rely on, and the communities they call home.

- Last year, TVA received more than \$9 billion from its sales of electric power in the Tennessee Valley. Of this amount, more than 26 percent – \$2.4 billion – was invested in goods and services purchased from businesses in the Valley.
- In addition, we allocated \$376 million in tax-equivalent payments to state and local governments in the Valley, based on our energy sales and property values in counties where TVA has facilities. These payments help many communities fund local education and other vital needs.

Although TVA is most widely known as a power provider, it is also a catalyst for quality economic development in the region.

- In 2006, TVA invested \$40 million in economic development partnerships that supported the expansion of businesses and industries in the Valley. These investments helped create or keep 53,000 jobs in our region and leveraged \$4.2 billion in funding from other sources.
- TVA also helped Valley communities with more than 600 technical and community development projects that foster economic development.
- In 2006, trade journals like *Business Facilities* and *Site Selection* placed TVA among the nation's best utilities for economic development and job creation, and prestigious magazines like *Forbes* rated Valley communities high for their quality of life and business environment.





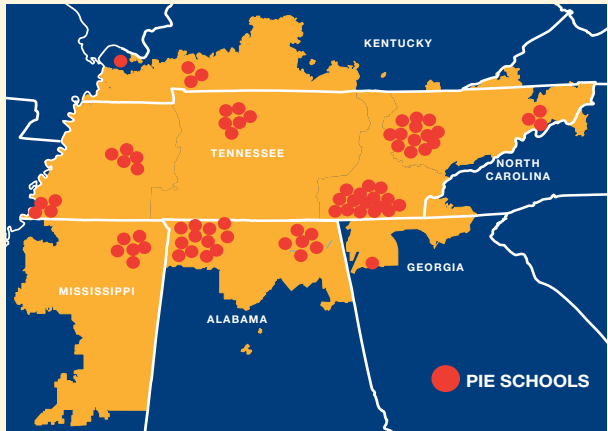
COLBERT FOSSIL PLANT EMPLOYEES PRESENTED A FIRE PREVENTION PROGRAM AT CHEROKEE (ALABAMA) ELEMENTARY SCHOOL, ONE OF TVA'S 68 PARTNERS IN EDUCATION SCHOOLS. PICTURED WITH STUDENTS ARE (L TO R) BILL DEEGAN, SCHOOL PRINCIPAL; STEVE WALLACE, COLBERT ENVIRONMENTAL AND SAFETY TECHNICIAN; JOEL LOVE, PARTNERS IN EDUCATION COORDINATOR AT COLBERT; AND CHARLES LANSDALL, VOLUNTEER FIRE CHIEF OF CHEROKEE.

Meeting the Challenge for Better Education

Children are the heart of Valley communities, and in 2006 the people of TVA volunteered more than 4,000 hours and raised over \$550,000 for school activities in the region. A key part of this effort is TVA's Partners in Education program, through which TVA employees help 68 Valley schools with cleanups and repairs, class projects, and tutoring.

TVA provided additional assistance for education in 2006 by:

- Donating supplies, computers, and other surplus equipment valued at \$85,500 to schools in the TVA service area and providing more than 250 speakers to Valley classrooms.
- Contributing \$60,000 to community and technical colleges in the region to help programs that enhance the skills of our future workforce.
- Teaching computer-assisted drawing and personal computer skills to over 95 high school students, and partnering with classroom teachers on technical support and equipment funding for another 4,500 students through TVA's CADNet program, which provides work-based experience, job opportunities, and well-trained technicians for employers.



In addition:

- TVA retirees hosted numerous visitors and schoolchildren at TVA Visitor Centers, sharing their vast knowledge about the history of TVA.
- TVA employees and retirees taught water safety, boating safety, and bicycle safety to schoolchildren across the Tennessee Valley.



JANE KAYLOR, EXECUTIVE DIRECTOR OF RONALD MCDONALD HOUSE CHARITIES OF GREATER CHATTANOOGA, IS SHOWN WITH AMARIL (LEFT) AND ASHANTE WALSH. TVA EMPLOYEES ASSIST RONALD MCDONALD HOUSE WITH FINANCIAL CONTRIBUTIONS AND VOLUNTEER HOURS. THROUGH TVA'S COMMUNITY CONNECTIONS PROGRAM, TVA EMPLOYEES VOLUNTEERED 252 HOURS TO THE PROGRAM, AND THEIR EFFORTS RESULTED IN A \$1,000 DONATION TO THE AGENCY.

Meeting the Challenge in Human Services

TVA employees are among the federal government's most generous contributors to the **Combined Federal Campaign**, an annual charitable fundraising program similar to United Way.

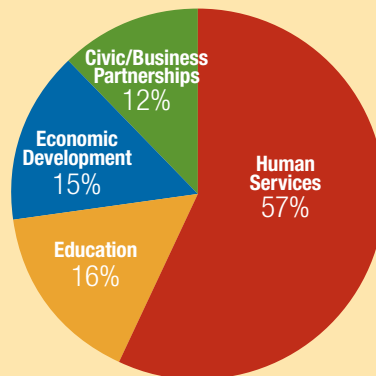
In 2006, TVA employees donated more than \$3 million to local families and charities – many of which rely on support from the Combined Federal Campaign. TVA employees also supported many of these charities with nearly 5,000 hours of their personal time to help with **Days of Caring**, **Big Brothers Big Sisters**, various community leadership organizations, and many holiday food and toy drives.

Through the **Team TVA** employee volunteer program, TVA employees welcomed more than 9,000 visitors to the TVA barge during Chattanooga's Riverbend Festival. On board, TVA provided educational activities and games for children.

In 2006, for the fourth year in a row, TVA employees helped to build a **Habitat for Humanity** house, providing quality housing at an affordable price for a family of limited means.

Because so many TVA employees invest significant personal time in charitable community activities, TVA offers grants to charitable organizations in recognition of the time our employees volunteer. In its first year, TVA's **Community Connections** program awarded \$30,000 in grants to local community organizations to which 76 TVA employees volunteered more than 12,000 hours of their time.

2006 charitable contributions from TVA and TVA employees





THROUGH THE KIDS IN THE CREEK PROGRAM, TVA'S CHRIS COOPER HELPS THESE STUDENTS FROM OWEN MIDDLE SCHOOL IN HENDERSONVILLE, NORTH CAROLINA, UNDERSTAND WATER QUALITY CONDITIONS IN MUD CREEK. COOPER SHOWS THE STUDENTS HOW TO EXAMINE AQUATIC LIFE AND DETERMINE THE EFFECTS OF HUMAN ACTIVITIES ON WATER QUALITY.

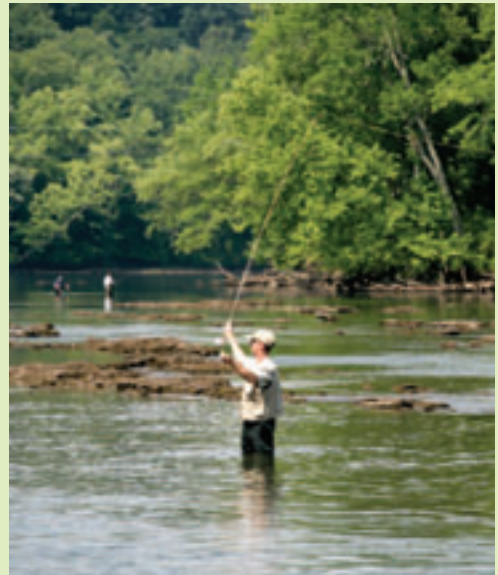
Meeting the Challenge for a Better Environment

As the nation's largest public power provider and steward of the region's natural resources, TVA helps create a better environment for Tennessee Valley communities through bold initiatives in air and water quality and land management. The Regional Resource Stewardship Council, a citizens' advisory panel, provides counsel to TVA about its stewardship responsibilities.

As part of its ongoing \$5.8 billion program to reduce emissions from its fossil plants, TVA invested \$182 million in 2006. This program has lowered TVA's sulfur dioxide emissions by 80 percent since 1977 and reduced nitrogen oxide emissions during the summer ozone season by 81 percent since 1995. Thanks in part to these efforts, our region's air is cleaner today than it has ever been in our lifetimes.

Also in 2006, TVA:

- Effectively managed the Tennessee River system to meet navigation, power production, recreation, and water supply needs, although rainfall was below normal.
- Certified its 71st Clean Marina to enlist boaters in helping meet water quality and waste management standards.
- Worked with 3,518 volunteers to remove more than 123 tons of trash from Valley reservoirs and streams.
- Supported community coalitions to improve water quality at 34 locations. TVA's watershed improvement processes were benchmarked as "best in class" by other federal agencies.
- Joined partnerships to improve wildlife habitat, add hiking trails, and provide other stewardship enhancements for Valley communities, including surveys of sport-fish populations on 31 reservoirs.



For more information, see TVA's latest environmental report at www.tva.com/environment.



www.tva.com
www.tva.com/community

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